

Message Text

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PAGE 01 SAN JO 03233 311852Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 FRB-03 EB-07 COME-00 TRSE-00 OPIC-03 AID-05

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P 311802Z JUL 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 1027

LIMITED OFFICIAL USE SAN JOSE 3233

E.O. 11652: N/A

TAGS: EFIN, CS

SUBJ: LATIN AMERICAN BANK: CENTRAL BANK TAKES

FIRM PUBLIC POSITION

REF: SAN JOSE 2852

1. BEGIN UNCLASSIFIED. IN ARTICLES IN ALL THREE MORNING PAPERS JULY 31, THE EXECUTIVE PRESIDENT OF THE CENTRAL BANK, BERNAL JIMENEZ, WAS QUOTED AS FIRMLY REJECTING THE COUNTER-PROPOSAL OF THE CREDITOR BANKS OF LAB. HE MAINTAINED THAT THE CENTRAL BANK'S ORIGINAL PROPOSAL (IN EFFECT ASSUMPTION OF 30 PERCENT OF LAB'S ASSETS AND LIABILITIES) WOULD BE ITS LAST OFFER AND IF NOT ACCEPTED, IT WOULD BE LEFT TO THE FOREIGN BANKS TO ASSUME THE CONSEQUENCES. END UNCLASSIFIED

2. BEGIN LOU. MR. GARY HOOVER, ASSISTANT VICE PRESIDENT OF AMERICAN FLETCHER NATIONAL BANK OF INDIANAPOLIS ADVISED EMBASSY JULY 30 THAT HE HAD ENCOUNTERED DIFFICULTIES IN LEAVING COSTA RICA, APPARENTLY DUE TO A RESTRAINING ORDER BROUGHT AGAINST HIM IN HIS CAPACITY AS MEMBER OF BOARD OF LIMITED OFFICIAL USE

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PAGE 02 SAN JO 03233 311852Z

DIRECTORS OF LAB BY LAB DEPOSITOR. SINCE HE HAS

NOT CALLED BACK TODAY WE ASSUME HE WAS ABLE TO
LEAVE THIS MORNING TO ATTEND LAB CREDITORS MEETING
IN NEW YORK AUGUST 1.

3. COMMENT: PUBLIC REJECTION OF COUNTER-PROPOSAL
ON EVE OF CREDITORS MEETING MAY, OF COURSE, BE
INTERPRETED EITHER AS HARD-LINE TACTICAL MOVE BY
CENTRAL BANK, OR FOR LOCAL CONSUMPTION, OR BOTH.
ON OTHER HAND, HOOVER'S DIFFICULTIES MAY SIGNAL
FAILURE OF EFFORTS TO KEEP IN ABEYANCE THE QUESTION
OF LAB'S RESPONSIBILITIES TO ITS DEPOSITORS. END LOU.

4. EMBASSY WILL CONTINUE TO FOLLOW UP AND REPORT.
WOULD BE HELPFUL TO HAVE PROMPT REPORT OF RESULTS
OF CREDITORS MEETING.
TODMAN

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NNN

Message Attributes

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Margaret P. Grafeld
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06 JUL 2006

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TAGS: EFIN, CS, XM, LAB, (JIMENEZ, BERNAL), (HOOVER, GARY)
To: STATE
Type: TE
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